

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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William J. Pavão  
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State Controller

August 18, 2005

TO: Tax Credit Users and Interested Parties

FROM: William J. Pavão  
Executive Director

RE: Proposed Change to Section 10325(c)(12)  
Emergency Regulations, Title 4 of the California Code of Regulations  
Adopted on June 8, 2005

The State Tax Credit Allocation Committee (TCAC) is considering modifying the above-referenced Emergency Regulations, as attached, to clarify how TCAC currently applies the first tiebreaker scoring factor. The Committee's members are seeking additional public comment on the proposed regulation change to assure that the modification clarifies how TCAC uses the first tiebreaker. While future discussions may propose modifying the first tiebreaker policy, this proposed regulation wording change is simply attempting to clarify the current policy. Please direct any comments to my attention via fax or by mail no later than August 27, 2005. The Committee appreciates your thoughts on this matter and looks forward to your response.

Attachment

(12) Tie Breakers

If multiple applications receive the same score, the following tie breakers shall be employed: first, ~~if the housing type goals have not been met in any funding round, to meet those housing type goals in the order in which they are listed in section 10315 (i)~~ **if an application's housing type goal has been met in any funding round in the percentages listed in section 10315, then the application will be skipped if there is another application with a housing type goal that has not been met in any funding round in the percentages listed in section 10315**; second, to fund an application for a project located in a qualified census tract or a federally designated Renewal Community, Empowerment Zone, or Enterprise Community that has demonstrated that it will contribute to a concerted neighborhood revitalization plan, as evidenced by a score of at least eight (8) points, or a project not located in such an area that has received nine (9) points under section 10325(c)(6) or (7) of these regulations, or, in the case of a project in the Rural set-aside, one which is located in a qualified census tract, federally designated Renewal Community, Empowerment Zone, Enterprise Community, or Champion Community shall be selected over an application not meeting this criterion; third, the application with the lowest ratio of requested unadjusted eligible basis to total residential project costs, excluding developer fee, total land cost, general partner/sponsor equity/loans or loans from the equity provider unless the loan is the permanent loan for the development. This ratio must not have increased when the project is placed-in-service or negative points will be awarded, and the Tax Credit award may be reduced.